



CSB REDUX

Eligibility and Process

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Agenda

- **Types of Retired Pay Systems**
- **Impact of REDUX on Retired Pay**
- **Career Status Bonus**
- **CSB Election Process**



Types of Retired Pay Systems

Final Base Pay = joined prior to 8 Sep 80

High Three = joined between 8 Sep 80 -
31 Jul 86

CSB/REDUX = joined on 1 Aug 86 or after

Creditable status includes:

DEP, ROTC, Military Academy, and Health
Professions
Scholarship Program



Final Base Pay Formula

DIEMS is prior to 8 Sep 80



High Three Average Formula

DIEMS is between 8 Sep 80 - 31 Jul 86

Or AGR member eligible for REDUX declined the
Career Status Bonus



REDUX Formula

DIEMS is 1 Aug 86 or later

- **COLA is 1% less than the full rate as determined by the Consumer Price Index**



Impact of REDUX on Retired Pay

Based on E7 with 20 years active service

Cumulative Difference Between REDUX and High-3

20-Year Retirement Income	40-Year Retirement Income
Total income under REDUX: \$450,220	Total income under REDUX: \$1,461,283
Total income under High-3: \$622,504	Total income under High-3: \$1,768,848
Difference: \$172,284	Difference: \$307,565

At age 62 REDUX members benefit from a pay adjustment: the REDUX retirement pay becomes equal to High-3 and the full cost of living adjustment is applied. When the member turns 63, COLA reverts back to CPI minus 1 percent.

Year	Age	Monthly High-3 Pay	Annual High-3 Pay	Monthly REDUX Pay	Annual REDUX Pay
2010	38	\$1,911	\$22,932	\$1,529	\$18,346
2011	39	\$1,970	\$23,643	\$1,561	\$18,731
2012	40	\$2,031	\$24,376	\$1,594	\$19,124
2013	41	\$2,094	\$25,132	\$1,627	\$19,526
2033	61	\$3,867	\$46,280	\$2,466	\$29,589
2034	62	\$3,976	\$47,715	\$3,976	\$47,715
2035	63	\$4,100	\$49,194	\$4,060	\$48,717
2036	64	\$4,227	\$50,719	\$4,145	\$49,740



CSB (Career Status Bonus)

AGR members whose DIEMS is 1

Money is Taxable in most cases!



If CSB is accepted, the AGR member is agreeing to fall into the REDUX category for retirement.

CSB - Continued



CSB Election Process

DD 2839 preparation

- Block 1-3 Service Member info
- Block 4 Date Initially Entered Military Service (DIEMS)
- Block 5 – Basic Active Service Date (BASD)
- Block 6 – Make this date the day the form is signed.
- Block 7 – Check eligible to receive



CSB Election Process

- Block 8 date should be same as Block 6 date
- Block 9 Signature by O5 or higher.
- Soldier completes Section IV or V to accept or decline the bonus. Make dates match block 6.
- Section VI – make dates match block 6.
 - Recommend witness be O5 or higher.



Top Three Take Aways

1. Cola for REDUX retired pay is 1% less than the full rate.
2. The CSB is taxable in most cases.
3. Consult a financial planner before making your CSB/REDUX election!